

Identity Theft - What The Government And Scam Artists Do To You

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Imagine if you were restricted by Federal law from buying a door lock until you've been burglarized! Well, thanks to inordinate stupidity by Congress such a law may come into effect in 2006 with the effect that it will de-fang consumers' strongest protection against identity theft, namely the "credit freeze" counter-fraud tool adopted by many States including New York, Utah, Florida and others.

How The "Credit Freeze" Tool Counters Credit Card Fraud.

A quick-hit strategy carried out by bad guys targets your credit cards. Merely having the numbers, from an errant receipt discarded casually, and then Googling your name, these criminals can gallop off on a spending spree...until you report the card loss or happen to spot the flurry of transactions.

* You Control Credit Issues.

Here's where the "credit freeze" offers an anti-crime tool directly to you. You suspect that you've been "hit", that identity theft has occurred. At present, you can place a credit freeze that absolutely forbids any bank, department store or other concern from issuing a credit card in your name...unless and until they receive your permission.

* What The Bad Guys Want.

Criminals are smart, and move quickly once the identity theft occurs. Possessing your card, name, address the bad guys let no grass grow beneath their feet. Instead, they quickly launch a broad scale request-for-credit campaign, applying to as many institutions as possible, using you-the-victim as the card applicant. Reason? To buy as much gear as possible, and in as many product channels as possible.

What do the bad guys know about credit and reporting? Everything. Since you have no idea of the new credit cards, the bad guys "spend" like there's no tomorrow, safe in the knowledge that they'll be long gone and you'll only begin receiving credit card statements about 45 days later, due to ordinary billing cycles.

* Who's Opposing The Credit Freeze Consumer Tool?

Amazingly, financial firms and the credit bureaus both lobby to block this key consumer anti-fraud and identity theft tool. Why? As always, business profit-seeking distorts the moral landscape. Here's the commercial Catch 22: the credit bureaus make their money by analyzing credit and then selling those data to the financial institutions. Meanwhile the financial firms' business model is based on "selling credit", so the last thing they want to do is limit their revenue prospects.

Bottom Line.

Congress along with the credit bureaus and financial firms collude to eliminate a key consumer-controlled anti fraud tool. These parties have concluded that identity theft and credit card fraud...where you pay, and where your credit history gets damaged...re acceptable risks "to you". They don't want any State law to interfere with their business model and, unlike you, they have the political influence and lobbying muscle power to influence the situation.

Congress and its business partners deceptively craft a bill that would require that you show evidence (a formal police report) of being a "victim of identity theft" before you can authorize a credit freeze. Common sense says this is back-to-front, and that the purpose of the stronger well formulated States' laws is identity theft prevention, rather than aiding and abetting criminals who presently game the credit system for billions of dollars of credit card fraud each year.

Identity Theft Prevention - Alternative Paid Services.

If you lack the knowledge time or perseverance necessary to monitor all of your credit account, then you can hire credit monitoring for around \$10 per month. However, before doing that remember all the free tools you have in your arsenal...shred important documents, use complex password accesses, avoid all email requests for personal information, and always check your mail for credit card offers and potentially new debt statements. Learn more about identity theft, and the practical avoidance steps you can take, along with where to go and what to do about repairing credit histories.

Identity Theft Prevention Tips: <http://www.wise4living.com/lidtheft/prevention.htm>

Credit Repair After Identity Theft: <http://www.wise4living.com/lidtheft/credit-repair.htm>

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